

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
CONSUMERS ENERGY COMPANY for)	
authority to construct and operate the)	Case No. U-11315
Lyon 34 Pipeline in Oakland County.)	
_____)	

At the May 7, 1997 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John G. Strand, Chairman
 Hon. John C. Shea, Commissioner
 Hon. David A. Svanda, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On February 4, 1997, Consumers Energy Company (Consumers) filed an application, pursuant to the provisions of 1929 PA 9, as amended, MCL 483.101 et seq.; MSA 22.1311 et seq., requesting authority to construct and operate the Lyon 34 Pipeline.

The proposed pipeline will consist of a 16-inch outer diameter line approximately 0.2 miles long, extending from Consumers' Lyon 34 Storage Field (where it will be connected with one existing and two new gas storage injection and withdrawal wells) to a point of interconnection with Consumers' Northville to South Lyon Pipeline, all within the NW/4 of Section 34, T1N, R7E, Lyon Township, Oakland County.

Pursuant to due notice, a prehearing conference was held on April 8, 1997 before Administrative Law Judge Frank V. Strother. Consumers and the Commission Staff (Staff) participated in the proceedings, during which Consumers offered testimony and exhibits from three witnesses. Included in that evidence were (1) engineering specifications covering the construction, testing, and operation of the pipeline to demonstrate

compliance with the Michigan Gas Safety Code, (2) a map showing the location of the proposed pipeline, and (3) documents indicating that the maximum allowable operating pressure of the pipeline will be 800 pounds per square inch gauge and that the estimated cost of the pipeline is approximately \$750,000.

Subsequently, the parties submitted a settlement agreement resolving all issues in this case. According to the terms of the settlement agreement, attached as Exhibit A, the Staff agrees with Consumers that construction and operation of the pipeline will be reasonable and in the public interest and that the pipeline, if constructed and operated as proposed, will serve the public convenience and necessity.

After reviewing the application and stipulation, the Commission finds that the pipeline will serve the public convenience and necessity, and that approval is appropriate.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1929 PA 9, as amended, MCL 483.101 et seq.; MSA 22.1311 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; MSA 22.1 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; MSA 22.13(1) et seq.; 1969 PA 165, as amended, MCL 483.151 et seq.; MSA 22.1332(1) et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; MSA 3.560(101) et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACCS, R 460.17101 et seq.
- b. The settlement agreement is reasonable and in the public interest, and should be approved.
- c. The map, route, and type of construction of the Lyon 34 Pipeline should be approved.
- d. The pipeline is practicable in that it will provide an economic means of developing and utilizing additional gas storage capabilities.
- e. The pipeline will meet the requirements of the Michigan Gas Safety Code if constructed, tested, and operated as proposed.
- f. The pipeline will serve the public convenience and necessity.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Consumers Energy Company is authorized to construct and operate the Lyon 34 Pipeline in Oakland County, as proposed in its application filed on February 4, 1997 and subject to the requirements of 1929 PA 9, as amended, MCL 483.101 et seq.; MSA 22.1311 et seq.
- C. The map, route, and type of construction of the Lyon 34 Pipeline are approved.
- D. Within 60 days after construction, Consumers Energy Company shall file a completion report including pressure test data and a map of the Lyon 34 Pipeline as constructed.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26; MSA 22.45.

MICHIGAN PUBLIC SERVICE COMMISSION

John G. Strand
Chairman

(S E A L)

John C. Shea
Commissioner

David A. Svanda
Commissioner

By its action of May 7, 1997.

Dorothy Wideman
Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of May 7, 1997.

Executive Secretary

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Suggested Minute:

“Adopt and issue order dated May 7, 1997 approving the settlement agreement and authorizing Consumers Energy Company to construct and operate the Lyon 34 Pipeline in Oakland County, as set forth in the order.”